

Information Request DTE-1-3

Please refer to the Filing Letter at 3, which states that the Company proposes a “two-year marketing window to reach saturation.”

- A. Detail specific marketing efforts the Company will undertake to inform and educate customers about the NSTAR Green option. Provide complete and detailed documentation to support your response.
- B. Will the price for NSTAR Green remain constant during the proposed two year period? If not, explain all possible reasons for a potential price change.
- C. Discuss the Company’s plans for NSTAR Green at the end of the two-year marketing window (e.g., termination or evaluation of the program).

Response

- A. Please refer to Attachment DTE-1-3.
- B. The Company intends to negotiate supply contracts for Renewable Attribute supply that will be for calendar year periods, therefore pricing will be fixed for each calendar year. The Company anticipates pricing for each calendar year to be reflective of the actual market value of the Renewable Energy Certificates for which it has contracted for said calendar year.
- C. At the end of the initial two-year marketing period for the Program, the Company will evaluate the Program primarily on whether it served to foster competition for Eligible Customers. In order to make this determination, the Company will review: (1) the number of green energy suppliers offering services to Eligible Customers; and (2) the types of options available. In addition, the Company will analyze the Program’s subscription base and enrollment rate to determine whether the Program’s subscription base is increasing, leveling off, or decreasing as of the end of the two-year marketing period. To the extent that the subscription base is decreasing, the Company will attempt to determine whether such decrease

is related to Eligible Customer's perceptions of the Program itself, the availability of other offerings, or both.

The evaluation would be done similar to the design of NSTAR Green using surveys of NSTAR Green subscribers and regular NSTAR customers, as well as collaboration with industry groups. Options such as termination, enhancement, additional new products etc., would depend upon the combined results of this evaluation.

In addition to evaluating the Program at the end of the two-year marketing period, the Company agrees with the recommendation of the Division of Energy Resources that it should evaluate market activity during the two-year period to determine the level of competition in the retail market for residential customers. The Company is willing to agree as a condition of Department approval of the NSTAR Green tariff that NSTAR Green service will be terminated if a collective 20 percent of Boston Edison Company's, Cambridge Electric Light Company's and Commonwealth Electric Company's residential customers have affirmatively chosen to purchase generation from licensed retail competitive suppliers.¹ The Company agrees that such a development would be a strong indicator of a working retail competitive market for residential customers and thus, would signify that the Company no longer needed to offer the Program as a means of stimulating customer choice.

¹ The 20 percent penetration threshold would not include customers that participate in municipal aggregation programs via an "opt-out" process. This distinction is important because participation in such programs, while supported by the Company, should not be construed as a true indicator of residential customers' level of participation in the retail competitive electricity market.